

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

August 15, 2011

9:00 a.m.

Robert F. Carlson Auditorium
Lincoln Plaza North
400 Q Street
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Henry Jones, Vice Chair
John Chiang
Richard Costigan
Dan Dunmoyer
Rob Feckner
JJ Jelincic
Bill Lockyer
Priya Mathur
Louis F. Moret
Tony Oliveira
Ronald Yank

**OPEN SESSION
WORKSHOP**
Room 1140

9:00 a.m.

Sustainable Investing: Integration of Environmental, Social, and Governance (ESG) Factors

CLOSED SESSION

**10:30 a.m. or Upon Adjournment or Recess of the Workshop,
Whichever is Later**

1. Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and 11126(c)(16))
2. Discussion with Board Consultants on Strategic Investment Initiatives (Government Code section 11126(c)(16))

OPEN SESSION

**11:30 a.m. or Upon Adjournment or Recess of Closed
Session, Whichever is Later**

CLOSED SESSION

Upon Adjournment or Recess of Open Session
(Government Code sections 11126(c)(16) and (e)(1)
[Item 3])

AGENDA

OPEN SESSION

Action Item

1. Call to Order and Roll Call
 2. Approval of the June 13, 2011 Open Session Minutes
 3. June 2011 Policy Subcommittee Report
 - a. Affiliate Fund Investment Policies
 - 1) Repeal of the Affiliate Funds Policy
 - 2) Adoption of the California Employers' Retiree Benefit Trust (CERBT) Policy
 - 3) Adoption of the Judges' Retirement System II (JRS II) Policy
 - 4) Adoption of the Legislators' Retirement System (LRS) Policy
 - 5) Adoption of the Long-Term Care Fund Policy
 - b. Global Equity – Revision of the Internally Managed Global Equity Index Funds Policy
 - c. Real Assets – Revision of the Infrastructure Program Policy
 - d. Adoption of the Role of Private Asset Class Board Investment Consultants Policy
 4. Real Assets
 - a. Revision of Professional Staff Delegation Resolutions relevant to Infrastructure and Global Fixed Income
 - b. Real Estate Program
 - 1) Revision of the Real Estate Program Policy
 - 2) Update on the Neutrality Trial Responsible Contractor Program Policy and Program Extension Request
 - 3) Recommended Emerging Manager Program
 5. Contracts – Real Estate Board Investment Consultant Revised Letter of Engagement
 6. Interim Asset Allocation Targets
 7. Growth-Public Equity – Graduation of Internal Enhanced Equity Strategy
- Policy Subcommittee
Chair Jelincic
- Ted Eliopoulos and
Cutis Ishii
Ted Eliopoulos
- Kami Niebank
- Farouki Majeed
- Eric Baggesen and
Dan Bienvenue

Information Item

Joseph Dear
Farouki Majeed
Wilshire Consulting

Peter Mixon

Joseph Dear
Janine Guillot

8. Program Updates
 - a. Absolute Return Strategies (ARS) Program
 - 1) ARS Program Update
 - 2) ARS Allocation
 - b. Consultant Review of Internal Programs
 - 1) Fixed Income Program
 - 2) Public Equity – Passive Equity Portfolio
 - c. Corporate Governance Update – Proxy Access
 - d. Growth-Public Equity
 - e. Growth–Private Equity
 - f. Income (Global Fixed Income and Liquidity)
 - g. Real Assets (Real Estate, Infrastructure, Forestland)
 - h. Inflation Assets (Commodities, ILB)
 - i. Absolute Return Strategies Program
 - j. Affiliate Investment Programs
9. Activity Reports
 - a. Consolidated Investment Activity Report
 - b. Chief Operating Investment Officer's Status Report
10. Agenda and Calendar
 - a. Draft Agenda for September 12, 2011
 - b. Rolling Annual Agenda Item Calendar
11. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

CLOSED SESSION Upon Adjournment or Recess of Open Session (Government Code sections 11126(c)(16) and (e)(1) [Item 3])

Action Items

Peter Mixon

1. Call to Order and Roll Call
2. Approval of the June 13, 2011 Closed Session Minutes
3. Litigation – *CalPERS, et al. v. Wachovia Capital Markets, LLC, et al.*, Case No. BC389785 California Superior Court

Information Items

Ted Eliopoulos
Pension Consulting
Alliance
Eric Baggesen

4. Program Updates
 - a. Real Assets–Real Estate Program
 - 1) Quarterly Report on Real Estate Portfolio
 - 2) Quarterly Consultant Report on Real Estate Portfolio
 - b. Growth–Public Equity Quarterly Program Portfolio Update

5. External Manager Updates
 - a. Growth–Public Equity
 - b. Growth–Private Equity
 - c. Income (Global Fixed Income and Liquidity)
 - d. Real Assets (Real Estate, Infrastructure, Forestland)
 - e. Inflation Assets (Commodities, ILB)
 - f. Absolute Return Strategies Program
 - g. Affiliate Investment Programs

Janine Guillot
Joseph Dear

6. Activity Reports
 - a. Status of Action Items Not Yet Reported
 - b. Investment Activity Reports
 - 1) Alternative Investments Management
 - 2) Real Estate
 - 3) Risk Managed Absolute Return Strategies
 - 4) Corporate Governance
 - 5) Inflation-Linked Assets
 - 6) Disclosure of Placement Agent Fees
 - 7) Other Programs